forcefully negotiated to get desired results which earlier WTO meetings in Doha rounds have failed to produce;

(b) if so, what are the perceptible outcomes with regard to safety of interests of farmers in developing countries; and

(c) whether G-22 Group has been able to convince the major players like US or EU in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) to (c) The G-20[1] is a group of developing countries which came together on 20 August, 2003. The G-20 has been a driving force and works towards ambitious reforms of agriculture in developed countries with some flexibility for developing countries, thus working towards protection of interests of poor farmers.

There is broad convergence within the G-20 on the issue of special flexibilities for developing countries like lower tariff cuts, longer time limits for implementation. Its technical contributions and its political commitment have helped advance the negotiations towards the common goal of eliminating the trade-distorting policies maintained by developed countries.

India, as a member of the G-20, has maintained that promoting the interests of its low income and resource poor farmers is a key priority. India is working intensively with the G-20 to keep pressure up on developed countries to seek effective cuts in Overall Trade-distorting Domestic Support (OTDS), to bring about effective disciplines on green box domestic support; not to allow creation of new tariff rate quotas (TRQs), not to allow expansion of tariff quota on sensitive products, for elimination of the Special Safeguard (SSG) and for 100% tariff simplification and also for tariff capping in developed countries.

Steps taken for growth of exports

607. SHRI VIJAY JAWAHARLAL DARDA:
SHRI GIREESH KUMAR SANGHI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether effective steps are being taken to give fillip to the growth of exports in view of the shrinkage of exports during the financial year 2008-09 due to global recessionary trends;

(b) if so, will the emphasis be on exploring further markets or introducing new export-items customized to emerging export markets; and

(c) the percentage decline in exports during 2008-09 *vis-a-vis* 2007-08?

[1] The G-20 Group Comprises 23 member countries: 5 from Africa (Egypt, Nigeria, South Africa, Tanzania and Zimbabwe), 6 from Asia (China, India, Indonesia, Pakistan, Philippines and Thailand) and 12 from Latin America (Argentina, Bolivia, Brazil, Chile, Cube, Ecuador, Guatemala, Mexico, Paraguay, Peru, Uruguay and Venezuela)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) and (b) Yes, Sir. To arrest decline in exports due to global recessionary trend, and to give fillip to growth of exports, the Government and the RBI, have announced Stimulus packages, the highlights of which are given in Statement (*See* below). In addition to this, in the Foreign Trade Policy 2009-14, significant emphasis has been laid on exploring new markets for Indian export products, and to introduce new export items customized to emerging export markets. The highlights of these are as given at Annexure. 'B'

(c) The exports from India in 2008-09 have registered growth (in dollar terms) of 13.6% *viz-a-viz* 2007-08.

Statement

Remedial steps taken by the Government of India to arrest decline in exports due to the Global Economic Slow Down

(**A**) **Measures taken by the Government:**

(1) Interest subvention of 2% provided till 30.09.2009, extended upto 31.3.2010, to the following labour intensive sectors for exports:- Textiles (including Handlooms), Handicrafts, Leather, Gems and Jewellery, Marine Products and SMEs;

(2) Additional funds of Rs 350 crore provided in December, 2008 for Handicraft items in Vishesh Krishi and Gram Udyog Yojana (VKGUY).

(3) Higher incentive of 2% of Duty Credit Scrip under Market Linked Focus Product Scheme (as against normal incentive of 1.25%) granted to exports of Apparels and Clothing accessories and Leather products and Leather footwear, to USA and EU for the period from 1.4.09 to 30.09.9;

(4) Rs 1100 crore provided to ensure full refund of pending claims of CST/Terminal Excise duty/Duty drawback on deemed exports;

(5) Exporter friendly and the popular Duty Neutralisation Scheme *i.e.*, Duty Entitlement Passbook (DEPB) Scheme extended upto 31st December, 2009;

(6) DEPB rates for all items where they were reduced in November, 2008, restored to higher rates from retrospective effect;

(7) Duty Drawback rates on certain items restored to higher rates effective from 1st September, 2008;

(8) DEPB and Freely Transferable Incentive Schemes allowed without the initial requirement of Bank Realisation Certificate (BRC);

(9) Export Obligation Period under Advance Authorization Scheme enhanced from 24 months to 36 months without payment of composition fee.

(10) Back-up guarantee made available of ECGC to the extent of Rs 350 crore to enable it to provide guarantees for exports to difficult markets/of difficult products. ECGC is now been able to widen its coverage;

(11) Additional funds of Rs 1400 crore provided to the Ministry of Textiles to clear the backlog claims of textiles units under Technology Upgradation Fund Scheme (TUFS);

(12) MDA Scheme—allocation increased to Rs.124 crores (increased by 148%);

(13) Additional items allowed within the existing duty free imports entitlement for the following labour and employment oriented sectors:

(i) 5 additional items for sports goods sector;

(ii) Additional items for leather garments and footwear and textile items.

(14) Fringe Benefit Tax (FBT) abolished;

(15) Section 10A and 10B related to Sunset clauses for STPI and EOUs schemes respectively extended for the financial year 2010-2011. Anomaly removed in Section 10AA related to taxation benefit of 'unit *vis-a-vis* assessee;

(16) Export duty on iron ore fines eliminated, and for lumps, reduced to 5%;

(17) Some pending issues relating to Service Tax refund on exports-resolved. Some of these are:

(i) Exemption from Service tax on services linked to exports:

(a) On service related to transport of export goods by road from any CFS or ICD to the port or Airport and on service related to transport of export goods by road directly from their place of removal, to an ICD, a CFS, a port or airport;

(b) Services provided by Foreign Agent Commission service.

(ii) Procedure for refund of service tax simplified by allowing refund on self certification in case refund claim does not exceed 0.25% of FOB value of exports; and certification by Chartered Accountant in case of others;

(iii) Time period for filing refund claim increased to 1 year from the date of export (as against half-yearly).

(18) For Fast Tack Resolution of a number of procedural issues thereby reducing delays for the exporters, a Committee constituted under the Chairmanship of Finance Secretary including Secretaries of Department of Revenue and Commerce; A number of issues sorted out accordingly;

(19) Excise duty reduced across the board by 4 per cent, for all products except petroleum products and those products where current rate was less than 4%. Excise Duty was further reduced by another 2% in certain products like Leather etc.;

(20) The guarantee cover under Credit Guarantee Scheme for Micro and Small Enterprises on loans doubled to Rs 1 crore, with a guarantee cover of 50%. The guarantee cover extended by Credit Guarantee Fund Trust increased to 85% for credit facility upto Rs.5 lakh. The lock-in period for such collateral-free loans reduced.

(21) An Adjustment Assistance Scheme initiated in December' 08 to provide enhanced ECGC cover at 95% to the badly hit sectors, continued till March, 2010;

(22) To protect the domestic manufacturing industry from dumped/cheap imports, in particular, from China, import restrictions have been imposed on HR coil, Carbon Black, Polyester Filament Yarn (PFY) and Radial Tyres (Bus and Trucks);

(23) Mega Handloom clusters in West Bengal and Tamil Nadu and Powerloom cluster in Rajasthan and New Mega clusters for carpets in Srinagar and Mirzapur approved;

(24) Basic customs duty of 5% on Rough/Unworked corals abolished;

(25) Import duty on naphtha for power sector eliminated;

(26) CVD on TMT bars and structurals and on cement removed;

(27) Exemption from basic customs duty on Zinc and Ferro Alloys withdrawn;

(28) Regular monitoring mechanism:—

(a) The situation is being regularly monitored at the highest level of Government, so that immediate further corrective measures, can be taken as may be required. In this regard, the Government has constituted the following two High Level Committees which have been deliberating the issue on regular basis:

(i) An Apex Group chaired by Prime Minister with Finance Minister, Commerce Minister, Deputy Chairman (Planning Commission), RBI Governor;

(ii) Committee of officers chaired by Cabinet Secretary, including Finance Secretary, Commerce Secretary, Secretary (DIPP), Secretary (Planning Commission)—to meet regularly to look into the suggestions made by Trade and Industry and the respective Administrative Ministries in respect of the current global economic and financial crisis and to recommend action to the Apex Group.

(b) Department of MSME and Department of Financial Services to jointly, monitor on the progress of the meetings of Monthly meeting of State level Bankers' Committee for resolution of credit issues of MSME.

(B) **Measures taken by RBI:**

I. Increase in Liquidity to the banks for improving credit flow, by:

(i) Reducing CRR, SLR, Repo rate and Reverse Repo rate (from Oct '08, CRR reduced from 9% to 5%, SLR reduced from 25% to 24% (now restored to 25% in Oct. '09), Repo Rate reduced from 7.5% to 4.75%, and Reverse Repo Rate reduced from 6% to 3.25%).

(ii) Refinance facility to the EXIM Bank for an amount of Rs.5000 crores for providing pre-shipment and post-shipment credit in Rs. or dollars;

(iii) A special re-finance facility has been put in place for banks for the purpose of extending finance to exports, micro and small enterprises, mutual funds and NBFCs. Provisioning requirements have been lowered. Export Credit Refinance facility for commercial banks increased to 50% of the outstanding Rupee Export Credit.

II. Increase in FOREX Liquidity:

(i) RBIs assurance for continued selling of foreign exchange (US $) through banks, to augment supply in the domestic foreign exchange market;

(ii) To enable banks to profitably lend to exporters in Foreign Exchange, Ceiling rates on export credit in foreign currency has been raised to LIBOR + 350 basis points, subject to the condition that the banks will not levy any other charges, *i.e.*, service charge, management charge, etc. except for recovery towards out of pocket expenses incurred.

III. Easing of Credit Terms:

(i) The period of pre-shipment and post-shipment Rupee Export Credit enhanced by 90 days each;

(ii) Time period of export realization for non-status holder exporters increased to 12 months, at par with the Status holders. This facility which was available upto 03.06.09, has been extended for one more year.

(iii) PSU Banks, consequent to measures announced by RBI, reduced the margin money on Guarantees for exports units.

(C) **Measures taken in the FTP, 2009-14 announced on 27.8.09**

Measures in the FTP 2009-14, announced on 27.8.2009, have been laid down before the Parliament, and are available in public domain, which can be viewed/down loaded from the website http://dgft.gov.in

Annexure 'B' referred to in reply to Rajya Sabha Unstarred Question No.607

(for answer on 25.11.2009)

The following significant measures have been taken in the foreign Trade Policy 2009-14, announced on 27.8.2009, with an emphasis on exploring new markets and to introduce new export-items customized to emerging export markets:

(1) Twenty six (26) new markets in Latin American and Asia-Oceania Blocks have been included under the Focus Market Scheme, in the Foreign Trade Policy 2009-14 (announced on 27.8.2009), in addition to the existing 83 markets, with an emphasis on exploring and developing new market base for Indian exports, and to reduce their dependence on EU and USA. With this measure, exports to these 109 markets have become eligible for duty credit scrip at the rate of 3% of F.O.B. value of exports.

(2) Further, 13 new major emerging export markets, *viz.*, Algeria, Egypt, Kenya, Nigeria, South Africa, Tanzania, Ukraine, Brazil, Mexico, Australia, New Zealand, Cambodia and Vietnam have been added in the Market Linked Focus Product Scheme, and exports of over 1400 new products (at 8 digit ITC HS codes level) to these markets are eligible for duty credit scrip incentive at the rate of 2% of F.O.B. value of exports.

(3) Also, over 500 new focus products (at 8 digit ITC HS codes level) have been included in the Focus Product Scheme, which are eligible for duty credit scrip at the rate of 2% of the F.O.B. value of exports.

The details of all the measures taken in the FTP 2009-14, (announced on 27.8.2009), are available in public domain, full details can be viewed/down loaded from the website http://dgft.gov.in

Ban on import of Indian Basmati rice by Iran

608. SHRI B.K. HARIPRASAD: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the import of Basmati rice from India was recently held up at Iranian ports, following analysis report by Iranian testing authorities certifying Indian rice cargo contained traces of toxic chemicals;

(b) whether there has been a demand in Iranian Parliament for a probe followed by an unofficial ban on Indian Basmati imports;

(c) whether a high-level Iranian delegation was expected to visit India to inspect Basmati processing units in India; and

(d) whether India has since sorted out the issue with Iran and if so the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) and (b) No, Sir. Government is not aware of any consignment of Indian rice being held up at Iranian ports due to contamination with toxic chemicals. It had been reported in the Iranian media that the Iranian Parliament would be